GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2695
ANSWERED ON:17.03.2017
Circulation of Cash
Singh Shri Lallu

Will the Minister of FINANCE be pleased to state:

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO.2695
TO BE ANSWERED ON 17th MARCH, 2017/26TH PHALGUNA SAKA, 1938

CIRCULATION OF CASH
2695. SHRI LALLU SINGH:

QUESTION

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that the circulation of cash in the country in January 2017 was only 45 per cent of that in the pre-demonetisation period;

(b) if so, the details thereof; and

(c) the extent to which the consumption and inflation in country has been impacted by the decline in cash circulation?

Answer

ANSWER

MINISTER OF STATE IN THE MINISTRY FOR FINANCE

(SHRI ARJUN RAM MEGHWAL)

(a) to (b) The Specified Bank Notes (SBNs) of Rs. 500 and Rs. 1000 returned to currency chests of Reserve Bank of India (RBI) as on December 10th, 2016 amounted to Rs. 12.44 lakh crores. The data obtained in this regard would need to be reconciled with the physical cash balances to eliminate counterfeit notes, accounting errors/ possible double counts etc., after which only the final figures will be arrived at. The currency in circulation as on 3rd March, 2017 is Rs. 12 Lakh crores.

(c) The growth rate of Indian economy is estimated to have remained at 7.0 percent in the Third Quarter (Q3) of 2016-17, as per Quarterly Estimate released by the Central Statistics Office. The growth rate of agriculture and allied sectors was 6.0 per cent in the Q3 (October to December) of 2016-17, as compared to 1.9 percent and 3.8 per cent respectively in the first quarter (Q1) and second quarter (Q2) of 2016-17.